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E.O. 11652: GDS
TAGS: OECD, CIEC, EGEN, ETRD, EFIN, EAID, ENRG
SUBJECT: CIEC COMMISSIONS: OCTOBER ROUND - SESSIONS
OF OCT. 25 AND 26

1. SUMMARY: DURING OCTOBER 25 AND 26 SESSIONS, COMMISSIONS CONTINUED TO DISCUSS PROPOSAL PAPERS TABLED BY BOTH SIDES. ENERGY COMMISSION HAD ACTIVE EXCHANGES CENTERING ON DC DRAFT COMMUNIQUE LANGUAGE ON PRICES TABLED BY JAPANESE AT SATURDAY SESSION. THE DISCUSSION CONCENTRATED ON FOUR ISSUES: THE PAPER'S FAILURE TO DIFFERENTIATE BETWEEN THE IMPACT OF OIL PRICES ON DCS AND ON LDCS; ITS DOWNPLAYING OF THE PRODUCERS' CONCERN WITH PURCHASING POWER; CONDITIONS FOR OIL PRICE CHANGES; AND THE DESIRE OF SOME G-19 REPS TO REVITALIZE THE IMF ENERGY FACILITY. RAW MATERIALS COMMISSION PLENARIES RESUMED OCT 25 WITH TABLING BY US/EC/JAPAN OF JOINT PROPOSALS ON PURCHASING POWER, COMPENSATORY FINANCE, LOCAL PROCESSING, INTERESTS OF IMPORTING DEVELOPING COUNTRIES, AND COMPETITIVENESS OF NATURAL PRODUCTS VIS-A-VIS SYNTHETICS; AT OCT 26 SESSION US/EC/JAPAN TABLED JOINT PROPOSALS ON INVESTMENT, MARKET ACCESS AND CONDITIONS OF SUPPLY. AT OCT 26 SESSION LDC RAW MATERIALS CO-CHAIRMAN ARIAS-SCHREIBER EXPRESSED STRONG DESIRE THAT AT OCT 27 PLENARY G-8 COMMENT ON PROPOSALS G-19 HAS MADE IN COMMISSION. ARIAS-SCHREIBER SAID THAT G-19 NEEDED INDICATION OF REACTIONS THEIR PROPOSALS WOULD RECEIVE SO THAT THEY COULD DECIDE, AMONG OTHER THINGS, ON ADVISABILITY OF HAVING MINISTERIAL CONFERENCE IN DECEMBER. FINANCE COMMISSION IN OCTOBER 25 - 6 SESSIONS HAD PRELIMINARY EXCHANGE OF VIEWS ON G-19 PAPERS ON MEASURES AGAINST INFLATION AND COOPERATION AMONG LDCS. DEVELOPMENT COMMISSION DISCUSSED PROPOSALS FROM G-19, US, AND EC ON INFRASTRUCTURE AND TRADE. WHILE G-19 FELT THAT G-8 PROPOSALS ON INFRASTRUCTURE SHOULD BE MORE SPECIFIC, ALL PARTICIPANTS NOTED MANY AREAS OF POSSIBLE CONVERGENCE. IN CONTRAST, CURRENT PROSPECTS FOR AGREEMENT ON TRADE ISSUES ARE NOT PROMISING. G-19 AGAIN TABLED DEMANDS ON TRADE FROM
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MANILA DECLARATION, AND G-8 PROPOSALS WERE CHARACTERIZED BY G-19 AS INSUFFICIENTLY SPECIFIC AND OFFERING NO ADVANCE ON EARLIER POSITIONS.
END SUMMARY

ENGY COMMISSION

2. ON OCTOBER 25 AND 26, ENERGY COMMISSION FOCUSSED

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ON ISSUES STIMULATED BY JAPANESE PAPER ON PRICE, AND
ALSO BRIEFLY DISCUSSED R AND D AND IRB.

DIFFERENTIAL IMPACT OF PRICE INCREASES:

3. ALMMOST ALL G-19 REPS (INCLUDING EDDC'S) WERE PARTICULARLY CRITICAL OF JAPANESE PAPER'S LUMPING OIL-DEPENDENT DC'S AND LDC'S TOGETHER AS FAR AS IMPACT OF ENERGY PRICE CNGES ON INTERNAL ECONOMIES WAS CONCERNED ("THE PRICE OF ENERGY IS OF PARTICULAR IMPORTANCE TO THE ECONOMIC OGRESS OF BOTH THE DEVELOPING AND DEVELOPED COUNTRIES WHICH ARE DEPENDENT ON IMPORTS FOR A MAJOR PART OF THEIR ENERGY REQUIREMENTS---"). INDIAN REP SAID THIS, IN EFFECT, DOWNPLAYED THE ESPECIALLY SEVERE OBLEMS FACED BY EDDC'S. JAICAN CHARACTERIZED THIS AS "EXCEEDINGLY DANGEROUS THINKING AND UNACCEPT-ABLE" SINCE THIS IMPLIED "ACCEPTANCE OF PRESENT

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INEQUALITIES IN THE WORLD ECONOMIC SYSTEM." HE W THIS
AS A FUNMENL PHILOSOPHICAL DIFFERENCE WHICH IF NOT
RESOLVED WOULD LEAVE CIEC PARTICIPANTS "AT LOGGERHEADS."
VENEZUELAN SAID DC PAPER WAS INACCURATE SINCE "DC'S
HAD ALREADY ADJUSTED TO PRICE INCREASES" WHEREAS LDC'S
WERE STILL IN DIFFICULT SITUATION AND NEEDED INTER-
NATIONAL ASSISTANCE.

PURCHASING POWER ISSUE:

4. G-19 ALSO STRESSED THAT JAPANESE PAPER'S TREATMENT
OF PURCHASING POWER ("THE CONCERN OF THE OIL PRODUCERS
WITH THE PUUCHASING POWER OF OIL REVENEUS BOTH CURRENT
AND ACCUMULATED IS RECOGNIZED") WAS INADEQUATE.
INDIAN AND VENEZUELAN REPS NOTED THAT THE DEVELOPMENT
PROCESS OF LDC'S IS VITALLY LINKED TO MAINTENANCE OF
EXPORT EARNINGS, WHEREAS DC'S CAN SIMPLY EXPORT IMPACT
OF HIGHER RAW MATERIAL PRICES TO REST OF WLD
IN MANUFACTURED PRODUCTS. JAMAICAN REP CONCLUDED THAT
IF AFTER ALL THESE MONTHS ALL DC'S WERE GOING TO DO WAS
"RECOGNIZE CONCERN" OF LDC'S ON PURCHASING POWER ISSUE
THEN THIS IN ITSELF WAS CAUSE FOR REAL CONCERN.

OIL PRICES:

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5. ALGERIAN REP NOTED THAT BEST WAY TO MEET JAPANESE PAPER'S CALL FOR REDUCING UNCERTAINTY ABOUT THE FUTURE AND AVOIDING LARGE AND SUDDEN CHANGES IN ENERGY PRICE LEVELS WAS FOR OPEC "TO CONTINUE TO ADJUST PRICES IN ACCORDANCE WITH INFLATIONARY CHANGES AND COSTS OF ALTERNATIVE SOURCES." OTHERWISE, HE SAID, PRICES WOULD BE TOO LOW AND CHANGES, WHEN THEY FINALLY CAME, "TOO BRUTAL." HE CONCLUDED THAT IF EQUITY IN PRICE OF OIL IS TO BE SOUGHT, THIS MUST BE DONE IN CONTEXT OF ESTABLISHING EQUITY FOR ALL RAW MATERIALS PRICES: THE STUDY OF IMPACT OF OIL PRICES IN ISOLATION "HAD NO SIGNIFICANCE."
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6. US DEL REBUTTED G-19 CRITICISMS NOTING (INTER ALIA) THAT, WHILE EVERYONE AGREES INFLATION MUST BE CONTROLLED, PROBLEM IS THAT OIL PRICES ARE SET BY GOVERNMENTS WHEREAS PRICE OF DC EXPORTS ARE SET BY COMPETITION IN MARKET PCE. IN THIS RERD, DC PROGRESS IN CONTROLLING INFLATION D BEEN DRAMATIC: FROM MID-1973 TO PRESENT THE AVERAGE PRICE OF U.S. EXPORTS TO OPEC COUNTRIES HAD RISEN ONLY 30 PER CENT AND IN THE LAST 12 MONTHS BY ONLY 4 PER CENT. THIS CONTRASTED SHARPLY WITH RISES IN OIL PRICES. INDEXATION OF OIL PRICES WOULD ONLY ACCELERATE THE ALREADY EXISTING INFLATIORY TRENDS. AS FOR DIFFERENTIAL IMPACT OF HIGH OIL PRICES ON DC'S AND LDC'S, HE SAID IT WOULD BE A MISTAKE TO CLAIM THAT ONE PARTICULAR GROUP OF COUNTRIES SOMEHOW SHOULD MAKE UP THE DIFFERENCE. THIS WOULD BE A VERY INEFFICIENT WAY OF IMPROVING DEVELOPMENT IN LDC'S. FURTHERMORE, THE U.S. ACCEPTS ITS RESPONSIBILITIES IN THE FIELD OF ENERGY BUT OUR ABILITY TO FULFILL THESE, AND OUR RESPONSIBILITY TO ASSIST THE DEVELOPMENT EFFORTS OF THE LDC'S ARE RELATED TO THE MANNER IN WHICH OTHER COUNTRIES FULFILL THEIR RESPONSIBILITIES, INCLUDING RESPONSIBILITIES IN THE ENERGY AREA.

SPECIAL OIL FACILITY:

7. IN IMPLICIT PLUG FOR REVITALIZING THE IMF SPECIAL OIL FACILITY, JAMAICAN REP TOOK STRONG EXCEPTION TO STATEMENT BY US DEL THAT THERE WOULD BE NO SERIOUS LIQUIDITY PROBLEM IN THE NEXT COUPLE OF YEARS FOR THE LDC'S AS A GROUP. JAMAICAN CHARACTERIZED THIS AS AN "AGGREGATION PHILOSOPHY" WHICH, IF APPLIED TO ENERGY FIELD, WOULD RESULT IN CONCLUSION THAT DC'S AS A WHOLE HAD NO SERIOUS ENERGY PROBLEMS, WITH NO NEED FOR A CIEC. (JAMAICAN IS PUSHING HARD WITHIN THE G-19 CAUCUS FOR A G-19 RECOMMENDATION FOR THE REVITALIZATION

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OF THE SPECIAL OIL FACILITY. JAMAICA CANNOT QUALIFY
FOR USE OF THE TRUST FUND.)

ENERGY R&D:

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8. AT END OF OCT 26 SESSION, CANADIAN DEL PRESENTED
G-8 PAPER (SEPTEL) ON DRAFT COMMUNIQUE LANGUAGE FOR
ENERGY R&D COOPERATION. EDDC REACTION WAS QUITE
POSITIVE WITH ZAIRIAN CHARACTERIZING IT AS "EXCELLENT."
JAMAICAN REITERATED PLEA FOR LOCATING R&D DEMONSTRATION

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PROJECTS IN LDC AREAS. ONLY OPEC RESPONSE WAS VENEZUELAN WHO CONTENDED THAT SUCH COOPERATION WOULD BE ANOTHER FORM OF ENERGY DEPENDENCY IN WHICH DC'S WOULD IDENTIFY THE TECHNOLOGY TO IMPOSE ON LDC'S: "R&D FOR THE ADVANTAGE OF DC'S."

IRB PROPOSAL:

9. BRIEF SESSIO OCT 25 WAS DEVOTED ENTIRELY TO PRESENTATION BY BRAZILIAN REP OF LENGTHY PAPER OUTLINING GOB REACTION TO IRB PROPOSAL (TEXT SEPTEL). U.S. WILL RESPOND TO ENERGY ASPECTS AT WEDNESDAY SESSION OF ENC, AND TO OTHER ASPECTS IN OTHER COMMISSIONS.

RAW MATERIALS COMMISSION
10. RAW MATERIALS COMMISSION PLENARIES RESUMED OCT. 25 WITH TABLING BY US/EC/JAPAN OF JOINT PROPOSALS ON PURCHASING POWER, COMPENSATORY FINANCE, LOCAL PROCESSING, INTERESTS OF IMPORTING DEVELOPING COUNTRIES, AND COMPETITIVENESS OF NATURAL PRODUCTS VIS-A-VIS SYNTHETICS (TEXTS SENT SEPTELS). PERU, VENEZUELA, CAMEROON, MEXICO, AND NIGERIA INTERVENED TO ASK WHETHER DCS' PROPOSALS WERE "COMPLEMENTARY" OR COUNTERPROPOSALS TO THOSE OF G-19, AND QUESTIONED WHETHER DCS' PAPERS WERE SUFFICIENTLY ACTION ORIENTED

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OR REPRESENTED ANY FORWARD MOVEMENT FROM THE NAIROBI RESOLUTION. US, EC AND JAPAN RESPONDED THAT PROPOSALS WERE NEITHER COMPLEMENTARY NOR COUNTER-PROPOSALS BUT SHOULD BE CONSIDERED ON THEIR OWN MERITS.

11. AT OCT. 26 SESSION US/EC/JAPAN TABLED JOINT PROPOSALS ON INVESTMENT, MARKET ACCESS,AND CONDITIONS OF SUPPLY. AUSTRALIA TABLED SEPARATE PROPOSAL COMBINING MARKET AND SUPPLY ACCESS, WHICH EMPHASIZED GOA VIEW THAT IMPORTER CONCERNS ABOUT LATTER ISSUE, WHILE REAL, ARE NOT WELL FOUNDED AND THAT UNDUE EMPHASIS ON SUPPLY CONFIDENTIAL

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ISSUE COULD BE CONFRONTATIONAL. US DEL ALSO DISTRIBUTED PAPER "DESCRIPTION OF THE INTERNATIONAL RESOURCES BANK" (STATE 229956). VARIOUS G-19 DELS GAVE PRELIMINARY REACTIONS TO US/EC/JAPAN PROPOSALS OF PREVIOUS DAY, CHARACTERIZING THEM AS VAGUE AND FAILING TO PICK UP THEMES OF NAIROBI RESOLUTION (E.G. HARMONIZATION OF PRODUCTION UNDER SYNTHETICS ISSUE). VENEZUELA MADE SAME G-19 COMMENTS ON IRB AS THOSE MADE EARLIER IN ENERGY COMMISSION (REPORTED SEPTEL). ZAIRE REP SAID HE DID NOT SEE HOW IRB AND COMMON FUND COULD PEACEFULLY COEXIST SINCE THEY HAD OPPOSITE OBJECTIVES WITH RESPECT TO RAW MATERIALS PRICES. HE SUGGESTED IRB SHOULD INCLUDE EXPLORATION AND RESEARCH IN ACTIVITIES IT WOULD FINANCE. US DEL RESPONDED TO G-19 COMMENTS, NOTING THAT IRB AND COMMON FUND PROPOSALS WERE ADDRESSED TO COMPLETELY DIFFERENT ISSUES AND THAT IRB DID NOT NECESSARILY IMPLY DOWNWARD PRESSURE ON PRICES. IN THIS CONNECTION, US DEL STRESSED THAT IRB WAS AIMED AT IMPROVING THE EFFICIENCY OF INVESTMENT FLOWS RATHER THAN INCREASING TOTAL INVESTMENT.

12. AT END OF SESSION LDC COCHAIRMAN ARIAS-SCHREIBER EXPRESSED STRONG DESIRE THAT OCT. 27 MEETING INCLUDE (IN ADDITION TO TABLING OF LAST DC PAPER ON TRANSPORT/ MARKETING/DISTRIBUTION) G-8 COMMENTS ON G-19 PROPOSALS. CRITICIZING LACK OF G-8 COMMENT ON SEVEN G-19 PROPOSALS TABLED OCTOBER 20, ARIAS-SCHREIBER CHARACTERIZED SESSION TO DATE AS A "PARALLEL MONOLOGUE." HE STRESSED THAT G-19 NEEDED INDICATION OF KIND OF REACTIONS THEIR PROPOSALS WOULD RECEIVE SO THAT THEY COULD DECIDE, AMONG OTHER THINGS, ON ADVISABILITY OF HAVING MINISTERIAL CONFERENCE IN DECEMBER.

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FINANCIAL AFFAIRS COMMISSION (FAC)

13. IN OCTOBER 25 SESSION OF FAC, U.S. AND EC DELS EXPRESSED VIEW THAT G-19 PAPER ON INFLATION WAS UN-BALANCED IN EMPHASIZING ROLE OF DEVELOPED COUNTRIES (E.G. WITH RESPECT TO DEMAND MANAGEMENT), WITHOUT RECOGNIZING THE MUTUAL RESPONSIBILITIES OF LDC'S AND THE ROLE OF OIL PRICE INCREASES AS WELL. ALL G-8 MEMBERS EXPRESSED STRONG RESERVATIONS TO G-19 PROPOSAL FOR A LINKING OF CHANGES IN PRICES OF GOODS AND SERVICES EXPORTED BY LDC'S TO THE CHANGES IN THE PRICES OF GOODS AND SERVICES IMPORTED BY THEM. (CO-CHAIRMAN YEGANEH SUGGESTED THAT THE DC'S SHOULD NOT FEAR THE LINKAGE; IF THEY WERE TO BE SUCCESSFUL IN CONTROLLING INFLATION, THE RESULT WOULD BE NO FURTHER NEED TO ADJUST PRICES, AND "PARITY OF PRICES" WOULD BE MAINTAINED.) US DEL POINTED OUT THAT OUR OPPOSITION TO INDEXATION WAS A MATTER OF PRINCIPLE; WE BELIEVE THAT IT IS THE PRICE MECHANISM THAT MAKES THE FREE MARKET SYSTEM WORK, AND ANY BARRIERS OR RESTRICTIONS TO ITS MOVEMENT WOULD BE COUNTER PRODUCTIVE. IN ADDITION, G-8 STATED THAT G-L9 PAPER SHOULD CONCENTRATE MORE ON NEED FOR INCREASING COMPETITION AND FREEING OF INTERNATIONAL TRADE IN CAPITAL, GOODS, AND SERVICES, RATHER THAN ON THE ROLE OF MULTINATIONAL ENTERPRISES IN CAUSING INFLATION. IMF OBSERVER OUTLINED RESULTS OF RECENT IMF/IBRD ANNUAL MEETINGS IN MANILA. HE NOTED THAT INFLATION CAN HAVE DELETERIOUS EFFECTS ON BOTH INVEST-MENT AND EMPLOYMENT, BY REDUCING PROFITS (AND THE ABILITY TO INVEST) OF BUSINESS. G-L9 MEMBERS (ESPECIALLY IRAQ AND IRAN, INDIA, EGYPT) ALL EMPHASIZED THEIR BELIEF THAT NEARLY ALL OF THEIR INFLATION WAS IMPORTED. HENCE, THEY DID NOT FEEL THE NEED TO OUTLINE LDC RESPONSIBILITIES IN THEIR PAPER ON THIS SUBJECT.

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14. IN OCTOBER 26 SESSION, G-L9 PAPERS ON COOPERATION AMONG LDC'S (AS WELL AS NEW EC PAPER ON SUBJECT) WERE DISCUSSED IN PRELIMINARY FASHION. ALL G-8 MEMBERS STRESSED FACT THAT COOPERATION AMONG LDC'S WAS THE

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PRIME RESPONSIBILITY OF THE LDC'S THEMSELVES. THE DC'S, AND INTERNATIONAL ORGANIZATIONS, COULD ENCOURAGE RESPONSIBLE EFFORTS IN THIS PROCESS, AND PROVIDE SUPPORT, WHERE APPROPRIATE. U.S. DEL POINTED OUT THAT THE POLICYMAKING BODIES OF THE INTERNATIONAL ORGANIZATIONS THEMSELVES (WITHIN THEIR STATUTORY LIMITS) WOULD BE THE ONES TO DETERMINE THE APPROPRIATENESS OF THAT SUPPORT. ALL DELS SUPPORTED NOTION THAT NEEDS OF THE INTERNATIONAL COMMUNITY WOULD BE WELL SERVED IF COOPERATION AMONG LDC'S WERE ENCOURAGED AND IMPROVED.

15. IMF/IBRD DEVELOPMENT COMMITTEE OBSERVER ALSO PRESENTED TO FAC SUMMARY OF ACTIVITIES OF WORKING PARTY ON LDC ACCESS TO CAPITAL MARKETS. HE NOTED WORKING PARTY'S RECOMMENDATIONS TO LIBERALIZE ALL CAPITAL MOVEMENTS AS MUCH AS POSSIBLE (BEARING IN MIND BOP AND CAPITAL SHORTAGE CONSIDERATIONS) HAD BEEN APPROVED BY MINISTERS AT MANILA; AND THAT THE MINISTERS HAD ALSO AGREED SPECIFIC ACTIONS SHOULD BE TAKEN, BUT TAILORED TO INDIVIDUAL CAPITAL MARKETS, TO IMPROVE LDC ACCESS. HE ALSO EXPLAINED THAT DEVELOPMENT COMMITTEE AND IFC WERE STUDYING U.S. PROPOSAL FOR INTERNATIONAL INVESTMENT TRUST. IBRD SPOKESMAN GAVE REPORT ON CURRENT CAPITAL SITUATION AND PROSPECTS OF IBRD, ALTHOUGH FURTHER DISCUSSION OF THIS ITEM (ODA) IS LIKELY TO TAKE PLACE FIRST IN CIEC DEVELOPMENT COMMISSION.

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DEVELOPMENT COMMISSION

16. IN OCTOBER 25 AND 26 SESSIONS, DEVELOPMENT COMMISSION DISCUSSED INFRASTRUCTURE AND TRADE. ON INFRASTRUCTURE G-19 PROPOSED THAT DC'S AGREE (A) TO GIVE SPECIAL PRIORITY TO MANUFACTURE AND FINANCING OF CAPITAL GOODS FOR LDC INFRASTRUCTURE PROJECTS, (B) INCREASE IFI CONTRIBUTIONS FOR IMPLEMENTATION OF REGIONAL TRANSPORT AND COMMUNICATIONS PROJECTS, (C) PROVIDE ASSISTANCE FOR TRAINING OF SPECIALISTS AND FOR ESTABLISHMENT OF HEALTH SERVICES AND PHARMACEUTICAL INDUSTRIES, AND (D) DECLARE 1978-87 DECADE FOR SOLUTION OF TRANSPORT AND COMMUNICATIONS PROBLEMS IN AFRICA. G-8 DELS RESPONDED POSITIVELY TO THRUST OF PROPOSALS FOR DEVELOPMENT OF INFRASTRUCTURE, BUT ALL QUESTIONED

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G-19 PROPOSAL ON CAPITAL GOODS SAYING THAT WITHIN CONSTRAINTS IMPOSED BY AVAILABILITY OF FINANCING, SUPPLIES HAD ALWAYS BEEN AVAILABLE IN NORMAL TIMES. EC AND US AGREED WITH 19 THAT DEVELOPMENT OF INFRA-STRUCTURE WAS AN IMPORTANT OBJECTIVE; US DEL STRESSED THAT EACH COUNTRY MUST MAKE ITS OWN DECISIONS ON TRADE-OFF BETWEEN INVESTMENT IN INFRASTRUCTURE AND IN DIRECTLY PRODUCTIVE PROJECTS, AND BOTH EC AND US ENCOURAGED MULTIDONOR AND REGIONAL APPROACHES. US DEL SAID WE LOOK TO IFI'S TO CONTINUE TO FURNISH BULK OF ASSISTANCE FOR DEVELOPMENT OF PHYSICAL INFRASTRUCTURE WHILE WE WOULD CONTINUE TO PROVIDE ASSISTANCE FOR TRAINING AND HEALTH SERVICES IN OUR BILATERAL PROGRAMS. G-8 DELS NOTED IT WOULD TAKE LONGER THAN A DECADE TO "SOLVE" AFRICAN INFRASTRUCTURE PROBLEMS, BUT ALL VOICED SUPPORT FOR CONCEPT OF DEVELOPMENT OF AFRICAN INFRA-STRUCTURE. US PROPOSAL WAS THE MOST FORTHCOMING ("PARTICIPANTS AGREED THAT INFRASTRUCTURE PROBLEMS IN AFRICA OVER THE NEXT DECADE MERIT URGENT AND SPECIAL CONSIDERATIONAND IN THIS LIGHT NOTED FAVORABLY PROPOSED EFFORTS FOR ACCELERATED INFRASTRUCTURE
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DEVELOPMENT ON THIS CONTINENT.") EC PROPOSAL WAS SIMILAR, AND CANADA AND SWEDEN BOTH EX-PRESSED SYMPATHY WITH THIS APPROACH. JAPAN WAS GENERALLY SUPPORTIVE BUT NON-SPECIFIC. G-19 (CAMEROON) SAID THEY UNDERSTOOD G-8 POSITION, FAVORABLY NOTING US STATEMENTS ON SOCIAL INFRASTRUCTURE, BUT HOPED G-8 COULD BE MORE SPECIFIC WHEN ISSUE IS NEXT DISCUSSED.

17. DISCUSSION ON TRADE BROUGHT OUT FACT THAT THIS IS IMPORTANT AND SENSITIVE AREA FOR G-19 DELS. OECD PARIS 31620 REPORTED ON THIS DISCUSSION. SUBJECT TO APPROVAL FROM TOKYO, JAPANESE DEL PLANS TO TABLE (PRIOR TO OCT 31 DEADLINE) PROPOSALS ON TRADE ECHOING PREAMBULAR LANGUAGE OF US AND EC PAPERS, AND OUTLINING JAPANESE POSITION ON MTN AND GSP.
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